

# Ecology - Water Quality Program FY14 Grant & Loan Funding Cycle Recipient Training Facilities Projects

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# Welcome!

- Introduce Ecology HQ staff
- Introduce Ecology Regional Staff
- Introduce Recipient Staff and Projects

# Agenda

- Negotiating the Agreement
  - Starting Work
  - Getting Paid
  - Staying Organized
  - Insight from Regional Staff
  - What is Coming Soon
  - Wrap up
- 
- We will after to answer your specific questions

# Negotiating The Agreement

# Important Dates

- Agreements must be signed by both parties within 7 months of the publication date of the combined Final Offer and Applicant List.
- Work on the project must begin no later than 10 months after the publication date of the combined Final Offer and Applicant List.
- The project must be completed within 5 years of the publication date of the combined Final Offer and Applicant List.
- Negotiating an agreement can take months. If you have project time constraints, let Ecology know your timelines!

# Environmental Review

- State Environmental Review Process (SERP) – Broad Environmental Review, similar to State Environmental Policy Act (SEPA)
  - Wastewater design and construction projects and Stormwater construction projects have already completed SERP.
  - Wastewater planning projects will complete SERP as part of the project scope of work.
  - Stormwater projects involving design will complete SERP as part of the design.
- Cross Cutters – Specific Federal Resource Protection Laws
  - Wastewater construction projects must complete before the agreement can be signed.
  - Wastewater design projects must complete before construction begins.
- Cultural Resources Review – required by State Executive Order 05-05 and Federal Section 106
  - All projects must complete consultation prior to any ground disturbing activities.

# SERP and Cross Cutter contact

[Alice.Rubin@ecy.wa.gov](mailto:Alice.Rubin@ecy.wa.gov) 360/407-6429

# Budget

- The budget establishes a cost for each Element/Task in the Scope of work.
- Each Budget Element aligns to one Scope Task.
- The budget shows how much funding is available to reimburse you for that Task.
  - The Budget shows total cost, eligible cost and Ecology funding available.
  - The budget may show both grant, loan, and forgiven loan components for easy reference.



# Scope of Work

- The scope includes specific Tasks (that we can reimburse you for) and Goals, Outcomes, and Deliverables for each Task.
  - **Task:** A particular objective of a project.
  - **Task Goal:** A description of why the task is being done.
  - **Task Outcome:** A quantitative and measurable change as a result of doing the task.
  - **Deliverable:** A quantifiable good or service that will be provided upon the completion of a task. Deliverables can be tangible or intangible.
- The scope of work defines what costs we can reimburse you for. Work with Ecology to ensure it is clear and complete.

# Negotiate the Agreement

## First steps

- Contact your Project Manager (or they will contact you).
- Complete SERP and cross cutter review if you have not already done so.
- Finalize the details of your Scope and Budget.
- Plan for all the components of a final agreement.
- Remember 7 month time line for finalization

# Some of the Things You Will Need to Finalize the Agreement

- DUNS Number
- Financial Capability Data (submit to Department)
- Growth Management Act (GMA) Compliance
- Federal Funding Accountability and Transparency Act (FFATA) Reporting / CWSRF Data Reporting Form
- Pre-Award Compliance Review Report Form (Form 4700)
- Opinion of Legal Council
- Authorizing Ordinance or Resolution
- Authorized Signature

# Attachments

- Attachments 1-3 & 7 – Require Action by the Recipient.
  - Attachment 1 – Opinion of RECIPIENTs Legal Counsel
  - Attachment 2 – Authorizing Ordinance or Resolution
  - Attachment 3 – Pre-award Compliance Review Report for All Applicants Requesting Federal Assistance
  - Attachment 4 – General Project Management Requirements
  - Attachment 5 – AGREEMENT Definitions
  - Attachment 6 - Loan General Terms and Conditions Pertaining to Grant and Loan Agreements of the Department of Ecology
  - Attachment 7 – Federal Funding Accountability and Transparency Act (FFATA) Report and Clean Water State Revolving Fund Initial Data Reporting Sheet
  - Attachment 8 – Estimated Loan Repayment Schedule (Amortization Schedule)

# Some Requirements of the Loan

- Davis-Bacon
  - Weekly, Certified Payrolls
  - Fringe Benefits
  - Spot Checks, Interviews, Apprentices
- Equal Employment Opportunity.
- Disadvantaged Business Enterprises
  - Good Faith Efforts
  - 6100 Forms
  - Bidder List
- Suspension and Debarment
  - EPLS Reports from the SAM System

# Requirements of the Loan (cont)

- Continued Maintenance and Operation
- Reserve Requirement
- Post Project Assessment
- Sewer Use Ordinance
- User Charge System
- Signage

# Starting Work

# When Can You Start Work?

- You Can Start Work Immediately.
  - Construction projects must complete cross-cutters first.
- The effective date of the funding agreement dictates what date we can go back to in order to reimburse eligible costs incurred. Make sure that date reflects the start of the project or the date eligible expenses for this funding agreement began being incurred.
- No eligible costs will be reimbursed until the funding agreement is signed by both parties.



# Hiring Consultants

- Engineering Consultants Are Typically Used For:
  - Planning,
  - Environmental Review,
  - Design and
  - Construction Management.
- Follow State Law to Procure Engineering Services.
- Send Ecology a Copy of the Executed Contract.

# Competitive Bid Construction

- Follow State Procurement Laws.
- Include Ecology Specification Insert
- Send Ecology a Copy of the Advertisement for Bids, Affidavit of Publication, Bid Tabs, Notice of Award and Executed Contract.
- Invite Ecology to the Pre-Construction Meeting.
- Send Ecology a Copy of the Schedule of Values

# Funding Amendment at Bid Opening

- Construction budgets are usually based on estimates.
- At bid opening, Ecology will amend the construction budget to the low responsive, responsible bid.
- If the bid exceeds the budget, Ecology can increase the budget by 10% (if funds are available-usually loan).
- Ecology can add a budget item for change orders for 5% of our contribution of the low bid.

# Work by RECIPIENT Staff

## Force Account

- Must Be Pre-Approved by the Ecology Project Manager
  - Is the RECIPIENT technically capable?
  - Will doing the work in-house impact utility operations?
  - Is it cost effective?

# Equipment/Supplies/Tools

- Task/Budget for Equipment/Supplies/Tools Not Included in a Construction Contract.
- Every Item Must Be Pre-Approved by the Ecology Project Manager.
- Submit Product Details and Full Documentation for All Purchases.
- Get Price Quotes From Multiple Sources.

# Getting Paid

# Reimbursement

- Two Rules to Always Remember:
  - Reimbursement is made for eligible project costs.
  - Reimbursement is made for eligible costs incurred.

# Progress Reports

- A Complete Progress Reports Must Be Submitted with Each Payment Request.
- Progress Reports Must Be Submitted At Least Quarterly
  - unless otherwise specified in your funding agreement
- Progress Reports Must Be Submitted Even If There Was No Activity.
- We Recommend Using the Progress Report Form Provided on Our Website
  - If you use your own form, it should include all the information requested in Ecology's form, particularly the required certification.



# A Progress Report must contain:

- Actual Accomplishments Compared to the Objectives Established for the Period;
- Any Delays and Reasons for the Delay;
- Any Cost Overruns and Reasons for the Cost Overruns;
- Measurement of Progress Toward Tasks/Elements and Deliverables.
- Any Additional Information That May Be of Interest.
- Davis Bacon Certification

# Payment Request Forms

- Electronic Forms Available On Our Website
  - Form A-19 – Invoice Voucher (required)
  - Form B-2 – Running Budget Summary (required)
  - Form C-2 – Voucher Support (required)
  - Form D – Contractor participation Report (required for federally funded projects only)

# A-19 Form

- Requires Original Signature.
- May Use One Form For All Funding Sources (loan, grant, forgivable principal).
- Brings Forward Totals From the B-2 Form(s).
- Each B-2 Form or Funding Source Will Have Its Own Column on the A-19.

# B-2 Form

- Tracks Current Request, Cumulative Requests, and Budget.
- Fill Out One B-2 Per Budget Column (i.e., funding type).
  - Standard Loan
  - Forgivable Principal Loan
  - Green Project Reserve (GPR) Loan
  - GPR Forgivable Principal Loan
  - Centennial Grant
- One Line Per Element/Task.
- Brings Forward the Element/Task Sub Totals From C-2 Form(s).

# C-2 Form

- Fill Out One C-2 Form For Each Payment Request.
- One Line Per Receipt or Billing.
- Organize By Budget Element/Scope of Work Task.
- Subtotal Each Element/Task. Sub Totals Are Carried to the B-2 Forms.

# “D” Form

- Complete One “D” Form for Each Payment Request Involving Federal Funding.
- List Each Contractor, Sub Contractor, or Consultant That Has Expenses On the C-2 Form.
- Show Disadvantage Business Enterprise (DBE) status and certification.
- Confirm the Excluded Parties List System (EPLS) Debarment Report Form(s) Have Been Submitted.

# Retainage

- If both the recipient and the contractor agree that the retainage will be saved in a specific type of account or location, Ecology may reimburse retainage as the RECIPIENT incurs costs.

OR

- The RECIPIENT may request the billing amount minus retainage throughout the project, then, once the project is successfully complete, Ecology would reimburse the total retainage.

# Change Orders

- All Change Orders Must Be Approved By Ecology Before Reimbursement Can Be Made.
  - “Significant” Change Orders Must Be Pre-Approved.
- Deductive Change Orders Are Not Costs Incurred.



# Examples

- When Preparing Payment Requests, Work Backwards Through the Forms.
- C-2
- D
- B-2
- A-19

# Example Loan Budget

<b>Elements (Tasks)</b>	<b>Total PROJECT Cost</b>	<b>Total Eligible PROJECT Cost</b>	<b>Forgivable Principal Amount</b>	<b>LOAN Amount</b>
1.Project Administration	\$200,000	\$200,000	\$80,000	\$120,000
2.Construction Management	\$1,500,000	\$1,500,000	\$600,000	\$900,000
3.Construction	\$10,000,000	\$10,000,000	\$4,000,000	\$6,000,000
4.Change Orders	\$500,000	\$500,000	\$200,000	\$300,000
Total	\$12,200,000	\$12,200,000	\$4,880,000	\$7,320,000

# Example C-2

## FORM C2: VOUCHER SUPPORT for PROJECTS with CASH EXPENDITURES ONLY

*Use one form for each group of costs with the same eligibility requirements.*

Agreement No.: L1200067 Recipient: City of Rubin Payment Request No.: 2\_\_ Page: \_\_1\_\_ of \_\_1\_\_

(1) Element No.	(2) Payee	(3) Item	(4) Invoice Number	(5) Date Cost Incurred	(6) Warrant Number (if any)	(7) Amount of Cash Expenditure
2	Dunn-Wright Engineering	Construciton Management	Invoice 7	6/1-6/15 2013		\$45,000.00
3	McClure Construction	WWTP Const.	Pay Est. 2	5/28-6/27 2013		\$345,000.00
4	McClure Construction	WWTP Const.	Pay Est. 2	5/28-6/27 2013		\$5,000.00
TOTALS BY ELEMENT						(8) \$395,000.00

# Example D

(1) Contractor	(2) P=Primary S=Sub	(3) Sole Source? Y/N	(4) Federal Tax ID No.	(5) Contractor Amount in this Request	(6) C=Construction S=Supplies Svs=Services E=Equipment	(7) Certified MBE=Minority WBE=Women	(8) Organization which Certified Contractor	(9) EPLS Search Copy Sent to Ecology? Y/N
McClure Construction	P	N	123-45-6789	\$350,000	C	WBE	WA State	Y
Dunn-Wright Engineering	P	N	9876-54-321	\$45,000	Svs	--		Y

# Example B-2 (Loan)

(1) Element No.	(2) Cash Expenditures This Request	(See instructions)		(5) Cumulative Cash Expenditures on Prev. Form B2	(6) New Cumulative Cash Expenditures	(7) Budget	(8) Eligible Cumulative Element Cost						
		(3) Elig. %	(4) Elig. Am't										
2	\$45,000.00	60%	\$27,000.00	\$175,500.00	\$202,500.00	\$900,000.00	\$202,500.00						
3	\$345,000.00	60%	\$207,000.00	\$900,000.00	\$1,107,000.00	\$6,000,000.00	\$1,107,000.00						
4	\$5,000.00	60%	\$3,000.00	\$0.00	\$3,000.00	\$300,000.00	\$3,000.00						
							\$0.00						
							\$0.00						
	\$395,000.00	■ ■ ■ ■ ■	\$237,000.00	\$1,075,500.00	\$1,312,500.00	\$7,200,000.00	(9) \$1,312,500.00						
<p>(10) For each fund administered by Ecology that supports this group of costs, enter the name of the fund and the fund share (%) at right.</p> <table border="1"> <tr> <td>Fund: <b>LOAN</b></td> <td>Fund: _</td> <td>Fund: _</td> </tr> <tr> <td>Share: 60 %</td> <td>Share: %</td> <td>Share: %</td> </tr> </table>								Fund: <b>LOAN</b>	Fund: _	Fund: _	Share: 60 %	Share: %	Share: %
Fund: <b>LOAN</b>	Fund: _	Fund: _											
Share: 60 %	Share: %	Share: %											
<p>(11) Compute fund amounts. In each column, multiply box 9 above by the fund</p> <table border="1"> <tr> <td>\$237,000.00</td> <td></td> <td></td> </tr> </table>								\$237,000.00					
\$237,000.00													

ECY 060-07 (6/95)

# Example B-2 (Forgivable)

(1) Element No.	(2) Cash Expenditures This Request	(See instructions)		(5) Cumulative Cash Expenditures on Prev. Form B2	(6) New Cumulative Cash Expenditures	(7) Budget	(8) Eligible Cumulative Element Cost						
		(3) Elig. %	(4) Elig. Am't										
2	\$45,000.00	40%	\$18,000.00	\$117,000.00	\$135,000.00	\$600,000.00	\$135,000.00						
3	\$345,000.00	40%	\$138,000.00	\$600,000.00	\$738,000.00	\$4,000,000.00	\$738,000.00						
4	\$5,000.00	40%	\$2,000.00	\$0.00	\$2,000.00	\$200,000.00	\$2,000.00						
							\$0.00						
							\$0.00						
	\$395,000.00	■ ■ ■ ■ ■	\$158,000.00	\$717,000.00	\$875,000.00	\$4,800,000.00	(9) \$875,000.00						
<p>(10) For each fund administered by Ecology that supports this group of costs, enter the name of the fund and the fund share (%) at right.</p> <table border="1"> <tr> <td>Fund: <b>FORGIVABLE</b></td> <td>Fund: _</td> <td>Fund: _</td> </tr> <tr> <td>Share: 40 %</td> <td>Share: %</td> <td>Share: %</td> </tr> </table>								Fund: <b>FORGIVABLE</b>	Fund: _	Fund: _	Share: 40 %	Share: %	Share: %
Fund: <b>FORGIVABLE</b>	Fund: _	Fund: _											
Share: 40 %	Share: %	Share: %											
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\$158,000.00													

# Example A-19

1. Proj. Off. <u>Tammie McC</u> Program: <u>WQ</u>  Washington State Department of Ecology P.O. Box 47600, Olympia, WA 98504-7600				4. Agreement No. <u>L1200067/L12S00067</u>  Vendor's Certificate. I hereby certify under penalty of perjury that the items and totals listed herein are proper charges for materials, merchandise or services furnished to the State of Washington, and that all goods furnished and/or services rendered have been provided without discrimination because of age, sex, marital status, race, creed, color, national origin, handicap, religion, or Vietnam era or disabled veterans status.											
2. Grant/Loan/ Recipient (Warrant is to be payable to:)  City of Rubin P.O. Box 62 Rubin, WA 98763  Federal ID No:				5. By: _____ (sign in blue ink)  Title _____ Date _____  6. _____ Tel. No. _____  Received by _____ Date Received _____											
7 Effect Date <u>1/1/2011</u> Expir. Date <u>3/31/2012</u>				Project Officer Approval for Payment/Performance Certification Date: _____											
8 Billing Period from <u>2/1/2011</u> to <u>2/28/2011</u>															
9 Fund Source Name				SRF Loan		Forgivable Loan									
10 Amount of Grant/Loan from Fund				\$7,320,000		\$4,880,000									
11 Cumulative Amount Requested				\$1,311,500		\$875,000									
12 Previous Cumulative Amount Requested				\$1,075,500		\$717,000									
13 Current Request/Payment Due				\$237,000		\$158,000									
14 Grant/Loan Remaining in the fund				\$6,008,500		\$4,005,000									
<b>All payments are made subject to federal and/or state audit.</b>															
DOC DATE			PMT DUE DATE		CURRENT DOC. NO.		REF. DOC. NO.	VENDOR NO.	VENDOR MESSAGE	USE TAX	UBI NO.				
REF DOC SUB	TRANS CODE	M O D	FUND	MASTER INDEX	SUB OBJ	SUB SUB OBJECT	ORG INDEX	WORKCLASS	COUNTY	CITY/TOWN	PROJECT	SUB PROJ	PROJ PHAS	AMOUNT	INVOICE NUMBER
				APPS				ALLOC	BUDGET UNIT	MOS					

# Example A-19

7	Effect. Date	1/1/2011	Expir. Date	3/31/2012	Project Officer Approval for Payment/Performance Certification Date:		
8	Billing Period from	2/1/2011	to	2/28/2011			
9	Fund Source Name				SRF Loan	Forgivable Loan	
10	Amount of Grant/Loan from Fund				\$7,320,000	\$4,880,000	
11	Cumulative Amount Requested				\$1,311,500	\$875,000	
12	Previous Cumulative Amount Requested				\$1,075,500	\$717,000	
13	<b>Current Request/Payment Due</b>				\$237,000	\$158,000	
14	Grant/Loan Remaining in the fund				\$6,008,500	\$4,005,000	



# Staying Organized

# Your Responsibilities

- To Read and Understand Your Funding Agreement.
- To Meet the Requirements as Outlined in the Funding Agreement.
- To Hire Contractors and Consultants to Perform Work and Help With Paperwork If Necessary.
  - This is an eligible expense
- Whether You Hire the Work Done or You Do It Yourself, It Is Ultimately Your Responsibility To Ensure That:
  - The work is done
  - The work is done correctly
  - The paperwork is complete
  - The paperwork is kept organized and safe.

# Maintaining Your Files

- Paperwork Around the Funding Agreement
- Paperwork Around Your Contracts With
  - Construction Contractor
  - Engineering Consultant
- Davis Bacon Payroll Paperwork
- Project Paperwork

# Maintaining Your Files

- All Agreements, Contracts, Change Orders, and Amendments
- EPLS Reports
- Ecology Approvals
- Davis-Bacon Certified Payrolls
- Davis-Bacon Fringe Benefits Documentation.
- Davis-Bacon Interviews
- Equipment Submittals
- Equipment Manuals
- Construction Inspection Daily Reports
- Construction Field Test Reports

# Regional Perspectives

## What is Coming Soon?

# Please Complete the Evaluation Sheet

You can stack them on the back table



# Thank you!

We will stay to answer your project  
specific questions

# Additional Information

- [David.Dunn@ecy.wa.gov](mailto:David.Dunn@ecy.wa.gov) 360/407-6503
- [Tammie.McClure@ecy.wa.gov](mailto:Tammie.McClure@ecy.wa.gov) 360/407-6410
- Ecology funding program site:  
<http://www.ecy.wa.gov/programs/wq/funding/funding.html>
- FY2014 Funding information:  
<http://www.ecy.wa.gov/programs/wq/funding/cycles/2014>
- Grant and Loan listserv: <http://www.ecy.wa.gov/maillist.html>